



U.S. Small Business Administration  
South Carolina District Office  
1835 Assembly St., # 1425  
Columbia, SC 29016

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**NOTE: THIS LETTER WILL BE SENT IN 'WORD' FORMAT TO FIRM UPON  
REQUEST**

«Title» «FirstName» «LastName»  
«Company»  
«Address1»  
«CtySTZp»

Dear «Title» «LastName»:

Re: Firm Ownership/Structure Change

This letter is in response to your inquiry about a change in ownership from [that of a sole-proprietorship to a corporation]. Therefore, please find enclosed the necessary forms to request that SBA grant **advance** approval for a [name change] and [ownership change] for «**Company**». Please complete the form in detail and submit your request via a cover letter outlining the reasons for the changes along with all the required documentation, i.e., copies of board minutes, stock certificates, stock ledger, etc.

The applicable excerpt from 13 CFR 124 pertaining to a Change of Ownership is enclosed for your information.

Please note that changes in your firm's structure and ownership required SBA approval in advance. If your firm has already made the changes there is a possibility that your firm's eligibility may be suspended. Once the forms are submitted to this office a review and recommendation is completed and forwarded to the SBA's eligibility division (DPCE) in Philadelphia, PA. The estimated time for processing can be from a few weeks or longer before final action is taken by SBA Headquarters, Washington, DC.

You are encouraged to seek competent counsel from a reputable attorney in making any ownership change.

If you have any questions, please contact our office at (803) 253 3116, fax (803) 765 5962 or e-mail a Business Development Specialist at "«BOSEMail»".

Sincerely,

«BOS»  
Business Development Specialist  
8(a) Business Development Program

Enclosures

«Company»  
Change of Ownership  
Page Two

Enclosures (contact SBA office to send these documents)

Required Documentation for Submission Checklist – 2 pages  
Instructions to Provide Written Analysis – 2 pages  
13 C.F.R. Part 124.105(i) Excerpt – 8 pages  
SBA Form 1010 – Application for 8a/SDB Certification (ownership change)

Documentation to be submitted:

In addition to the above, documentation to be returned:

Articles of Incorporation, or  
Operating Agreement, if LLC  
Copies of all stock certificates (front and back)  
Stock Ledger  
Board of Director's or Member's Minutes pertaining to change of ownership

Documentation listed on "Checklist For Preparing Your Application" (back page of SBA Form 1010 for Each Individual who is applying for 8(a) certification; and

Statement of Personal History – SBA Form 912 (one needed for each new owner of 10% or more)  
Personal Financial Statement – SBA Form 413 (one needed for each new owner of 10% or more)  
Request for Transcript of Tax Form – IRS/SBA Form 4506T (one needed for each new owner of 10%)

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In addition:

For each non-disadvantaged principal, including owner of more than 10%, each director, each officer, each management member, each Partner and any other individual, such as a key employee who can speak for the firm must submit:

Personal Resumes  
Copies of personal income tax returns (including all schedules and W-2 forms for the two immediately preceding years for the individual and spouse,  
IRS/SBA 4506T Request for Copy of Transcript of Tax Form  
SBA Form 912, Statement of Personal History (include SBA Fingerprint Card if the SBA Form 912 reflects an arrest).

**THIS IS THE OFFICIAL TEMPLATE SUBMITTED TO SBA HEADQUARTERS!**  
**FIRMS ARE EXPECTED TO FILL IN THE BLANKS**



**U.S. Small Business Administration**

South Carolina District Office  
1835 Assembly St., # 1425  
Columbia, SC 29201

Date: \_\_\_\_\_

From: «BOS», Business Development Specialist

Subject: 8(a) Ownership Change - «Company»

To: , Chief, DPCE/SF

Through: , Deputy District Director, South Carolina

Through: , District Counsel, South Carolina

Through: , District Director

Re: Firm Name: «Company»  
Case No. «CaseNo»  
Address: «Address1»  
«CtySTZp»  
Telephone: «FirmPhone»  
Date Certified 8(a): «Approval\_Date»  
Graduation Date: «FFPT»  
Certified Individual(s): «Title» «FirstName» M. «LastName» (51% owner)

«Title» «FirstName» «LastName», principal of «Company» has requested SBA's approval for an ownership change. The change is \_\_\_\_\_. The reason provided is \_\_\_\_\_. The type of the firm is (IT, construction, etc.) \_\_\_\_\_.

The firm provides \_\_\_\_\_ services to the (list agencies) \_\_\_\_\_. The firm received \$\_\_\_\_\_ in 8a revenue in 2008 (Report of Estimated Revenue) and has a 3 year average revenue amount of \$\_\_\_\_\_. Its 12/31/08 (most current year end) business financial statement indicate a net worth \$\_\_\_\_\_, with \$\_\_\_\_\_ profit on \$\_\_\_\_\_ revenue.

The firm has a Mentor Protégé Agreement with \_\_\_\_\_ which is dated \_\_\_\_\_

Advance Notice:

\_\_\_\_\_ (yes of no)

Documents Supporting Change of Ownership Structure:

1. Cover Letter
2. SBA Form 1010 (Application for 8(a) Business Development Certification (tailored for ownership change) (contact SBA office to send these documents)
3. SBA Form 413 (Personal Financial Statement) (Obtain via [www.sba.gov/sc/8a](http://www.sba.gov/sc/8a))
4. SBA Form 912 (Statement of Personal History) (Obtain via [www.sba.gov/sc/8a](http://www.sba.gov/sc/8a))
5. State of South Carolina Articles of Incorporation for: «Company»
6. Domestic Stock Corporation Certificate of Dissolution
7. Bylaws of «Company»
8. «Company»«Company» Minutes of First Meeting of Shareholders
9. «Company»«Company» Minutes of First Meeting of Directors
10. «Company»«Company» Minutes of the Regular Board of Directors
11. Offers to Purchase Shares
12. Copies of all stock certificates (front and back)
13. «Company» Stock Transfer Ledger
14. «Company» Organization Chart
15. Minutes of Special Board Meeting and shareholders Meeting pertaining to the ownership/structure change)
16. Resume of all new owners
17. Current year Income Tax Statement of all new owners
18. Previous Income Tax Statement of all new owners
19. «Company» Balance Sheet Ending most recent year end
20. Asset Purchase Agreement

Recommend approval of Change in Structure/Ownership:

Ownership and control prior to change:

Name, Title	% Owned	Director	Officer	US Citizen	Disadvantaged

Ownership and control after proposed change:

Name, Title	% Owned	Director	Officer	US Citizen	Disadvantaged

**Provide a written analysis as to the firm's compliance with the following regulations:**

An analysis of the firm's compliance with the following regulations: 13 C.F.R. §124: 102; 103; 103(c); 104; 105; 106 (a)(1), (2), (3); (d)(1)(ii); (e)(1), (2), (3); g (1), (2), (3), (4); 108(a)(b)(c)(e) as follows:

13 CFR §124.102 – Size eligibility – What size business is eligible to participate in the 8(a) BD Program?

**YOUR RESPONSE:** (EXAMPLE) The contractor will remain small after the proposed change.

13 CFR §124.103 – Social Disadvantage – Who is socially disadvantaged?

(c) – Individuals not member of designated groups.

13 CFR §124.104 – Economic Disadvantage – Who is economically disadvantaged?

13 CFR §124.105 – Ownership – What does it mean to be unconditionally owned by one or more disadvantaged individuals?

13 CFR §124.106(a)(1),(2),(3); (d)(1)(ii);(e)(1),(2),(3);(g)(1),(2),(3),(4) – Control – When do disadvantaged individuals control an applicant firm or Participant?

(a)(1) An applicant or Participant must be managed on a full-time basis by one or more disadvantaged individuals who possess requisite management capabilities.

**YOUR RESPONSE:** Firm's principal, Mr(s). \_\_\_\_\_ proposed to maintain control via his/her majority stockownership and his/her position of \_\_\_\_\_ in the firm.

(2) A disadvantaged full-time manager must hold the highest officer position (usually President or Chief Executive Officer) in the applicant or Participant.

**YOUR RESPONSE:**

(3) One or more disadvantaged individuals who manage the applicant or Participant must devote full-time to the business during normal working hours ...

**YOUR RESPONSE:**

(d)(1)(ii) One or more disadvantaged individuals must control the Board of Directors where: (ii) a single disadvantaged individual owns at least 51% of all voting stock of an applicant or Participant, the individual is on the Board of Directors and no super majority voting requirements exists for shareholders to approve corporation actions.

**YOUR RESPONSE:**

(e) Non-disadvantaged individuals may be involved in the management of an applicant or Participant, and may be stockholders, partners, limited liability members, officers, and/or directors of applicant or Participant. However, no such non-disadvantaged individual or immediate family member may:

(1) Exercise controls or have the power to control the applicant or Participant.

**YOUR RESPONSE:**

- (2) be a former employers ...; or

**YOUR RESPONSE:** (NOTE THAT LARRY IS A CURRENT EMPLOYEE BUT PROVIDE REASONS WHY HE IS NOT IN CONTROL).

- (3) receive compensation from the applicant or Participant in any form as directors, officers, or employees, including dividends, that exceed the compensation by the highest officer (usually CEO or President) ...

**YOUR RESPONSE:**

(g) Non-disadvantaged individuals or entities maybe found to control or have the power to control in any of the following circumstances, which are illustrative only and no all inclusive:

- (1) In circumstances where an applicant or Participant seeks to establish disadvantaged control ...

**YOUR RESPONSE:**

- (2) A non-disadvantaged individual or entity, having an equity interest in the applicant or Participant, provides critical financial or bonding support or a critical license ... which allows the non-disadvantaged individual significantly to influence business decisions of the Participant.

**YOUR RESPONSE:**

- (3) A non-disadvantaged individual or entity controls the applicant or Participant, or an individual disadvantaged owner through loan arrangement ...

**YOUR RESPONSE:**

- (4) Business relationships exist with non-disadvantaged or entities, which cause such dependence that the applicant or Participant cannot make independent business judgment without great economic risk.

**YOUR RESPONSE:**

13 CFR § 124.108(a)(b)(c)(e) What are other eligibility requirements apply for individuals or businesses?

- (a) – Good character. The applicant or Participant and all its principals must have good character.

**YOUR RESPONSE:**

- (b) – One time eligibility.

**YOUR RESPONSE:**

- (c) – Wholesales , and  
(d) – Brokers

The wholesaler section is applicable, as the primary industry for this firm is «NAICS», a non manufacturer/wholesaler.

**YOUR RESPONSE:**

(e) – Federal financial obligations.

**YOUR RESPONSE:** Provide statement and evidence that neither the firm nor any of its proposed principals, have delinquent financial obligations to the Federal government.

**If change entails applying for 8a certification for new individuals and/or change in company status (LLC, Inc. etc.), complete applicable parts of the next section.**

Change of Business Structure: (if applicable)

Potential for Success:

The firm has had success in the non-8(a) sector. The firm determined that a change in business name/ownership change will enhance its principal mission, which is \_\_\_\_\_. The firm intends to continue to obtain 8(a) and other government and private sector contracting opportunities.

Size Standards:

The Primary NAICS code is «NAICS», \_\_\_\_\_, with a \$ \_\_\_\_ threshold.

Individual Ownership:

<u>Owners Name</u>	<u>% of Ownership</u>	<u>Disadvantaged Status</u>
«Title» «FirstName» «LastName»	%	Current
Spouse: _____ (married or unmarried)		Social Disadvantage: _____ (ethnicity)
<u>Name:</u> N/A	<u>Designated Group:</u> N/A	<u>U.S. Citizen/Born</u> Yes, NA

Economic Disadvantage:

Adjusted net worth of proposed new owner(s) is less than \$250K

Control:

Number of Managers authorized by the Operating Agreement: \_\_\_\_

Numbers of Directors appointed: \_\_\_\_

Name of Manager: \_\_\_\_

Names of Offices not serving on the Board of Directors: «Title» «FirstName» «LastName» serves as

\_\_\_\_\_  
All Offices on the Board of Directors: \_\_\_\_\_

Control of the Board: \_\_\_\_\_

President of the Firm: \_\_\_\_\_

Full-time devotion: «Title» «FirstName» «LastName» – 100%

Compliance/Requirements Governing Non-disadvantaged Individuals:

NA

Character:

**SUGGESTED LANGUAGE** There are no character issues as illustrated from Form 912

Reason for Request:

**SUGGESTED LANGUAGE** It is the opinion of «FirstName» «LastName» that the proposed ownership change is a logical business transaction. The disadvantaged individual would continue to control the firm. The reason for the change(s) is: \_\_\_\_\_.

The proposed shareholder submitted all required documentation including 912, resumes, 4506-T's and IRS Tax Returns.

The proposed change meets all criteria for preserving the disadvantaged status of the individual and firm; and appears to provide benefit to the firm with no real or perceived violation of the letter or the spirit of the 8(a) Business Development Program. It is concluded that the Participant will remain eligible for 8(a) contracts after the change is completed. It is concluded that the participant will continue to comply with the rules of social and economic disadvantage the change has occurred. The Last 8(a) Annual Review is included herein.

Request is hereby made for the changes listed above.

«Company»

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«Title» «FirstName» «LastName» (Principal)

Date



## Required Documentation For Submission to the Division of Program Certification & Eligibility

«Company»

Date: \_\_\_\_\_

Check Y or N

<u>Y</u>	Cover Letter from 8(a) Firm requesting advance approval of changes.
<u>Y</u>	An analysis to include:
	<u>Y</u> A summary of ownership and control of the 8(a) Participant prior to the Proposed change.
	<u>Y</u> A summary of the ownership and control of the 8(a) Participant after the proposed change.
	<u>Y</u> An analysis as to the firm's compliance with the following regulations: 13 CFR §124.102; 103; 103(c); 104; 105; 106 (a)(1),(2),(3); (d)(1)(ii); (e)(1),(2),(3); (g)(1),(2),(3),(4); 124.108(a)(b)(c)(e).
_____	If the District Office has reason to question an individual's socially Disadvantaged status, the District office may require that he/she demonstrates that he/she holds himself/herself out and is identified as a member of designated group, pursuant to 13 CFR 124.103(b)(2). SBA will consider documentation such as a birth certificate, proof of tribal membership, proof of membership in an ethnic or racial group, affidavits of family members or others, etc. However, a legal document such as a birth certificate will be not create disparities. SBA will consider all information and documentation submitted by the individual(s).
_____	SBA Form 1010, "Application for 8(a) Business Development Certification" – only those sections of this form indicating the proposed changes of ownership / control / management need to be completed.
_____	SBA Form 413, "Personal Financial Statement" for each <b>new</b> officer, director, Or more than 10% stockholder and the spouse of such individual.
_____	SBA For 912, "Statement of Personal History" for each <b>new</b> officer, director, more than 10-% owner, and key employee.
_____	FD 258, "Fingerprint Card" for an new individual who indicates an arrest Record on SBA Form 912. Final outcome of the FBI and S&I.
_____	Resumes for each new officer, director, more than 10% owner, and key Employees.

—	Copies of all stock certificates (front and back). They need not be signed.
—	Copies of stock register.
—	Copies of any stock contingencies.
—	A copy of any buy/sell/management agreements, stock options, etc.
—	A copy of other documentation that may effect the final Ownership Change, such as Articles of Incorporation, By-laws, Minutes of Shareholders meetings, Minutes Of Board of Directors' meetings, Resolutions of the Board of Directors.
—	If the 8(a) concern is a partnership, a copy of its proposed Partnership Agreement, including any buy/sell agreement(s).
—	Does the request involve new certification of social and economic Disadvantage? (If so, request must be approved by AA/GC/BD (see below).

End Checklist ...